

ACCOUNTING I
(ACC I)

Accounting I is a business course that introduces the language of business using Generally Accepted Accounting Principles (GAAP) and procedures for proprietorships and partnerships using double-entry accounting. Emphasis is placed on accounting principles as they relate to both manual and automated financial systems. This course involves understanding, analyzing, and recording business transactions and preparing, analyzing, and interpreting financial reports as a basis for decision making. Instructional strategies should include the use of computers, projects, simulations, case studies, and business experiences requiring the application of accounting theories and principles.

- Recommended Grade Level: 10-12
- Recommended Prerequisite: Business Foundations, Computer Applications, Algebra I
- Credits: A two-credit course over two semesters
- Counts as a Directed Elective or Elective for the General, Core 40, Core 40 with Academic Honors and Core 40 with Technical Honors diplomas
- A Career Academic Sequence, Career-Technical program, or Flex Credit course
- Course content standards/performance expectations and Indiana Academic Standards integrated at: <http://www.doe.in.gov/octe/bme/curriculum/contentstandards.htm>
- Teacher Requirements: <http://doe.in.gov/dps/licensing/assignmentcode>
- Career Clusters: Although Accounting may benefit all Indiana career clusters, it is a recommended component for several pathways in the following career clusters:
 - Agriculture, Food & Natural Resources
 - Business, Management & Administration
 - Finance
 - Hospitality & Tourism
 - Information Technology
 - Marketing, Sales & Service
- Career pathway information: <http://www.doe.in.gov/careerpathways>

Course Content Standards and Performance Expectations

ACC I 1 Accounting Cycle

ACC I 1.1 Content Standard: Students understand and apply the various steps of the accounting cycle and comprehend the purpose of each step.

Performance Expectations

- ACC I 1.1.1** Define accounting and explain the purpose of the accounting system.
- ACC I 1.1.2** Explain the importance of following Generally Accepted Accounting Principles (GAAP) and interpret the standards correctly.
- ACC I 1.1.3** Demonstrate a working knowledge of the fundamental accounting equation.
- ACC I 1.1.4** Discuss the purpose of the elements of financial statements: assets, liabilities, contributions by owners, distributions to owners, equity, revenues, expenses, gains, and losses.
- ACC I 1.1.5** Identify a variety of source documents.
- ACC I 1.1.6** Analyze business transactions using source documents and interpret their effect on the accounting equation.

- ACC I 1.1.7** Explain the double-entry system of accounting and demonstrate the applications of the debit and credit rules when recording and analyzing business transactions.
- ACC I 1.1.8** Journalize business transactions using various journal formats.
- ACC I 1.1.9** Explain the purpose of a journal and its relationship to the ledger through postings.
- ACC I 1.1.10** Construct and maintain the chart of accounts.
- ACC I 1.1.11** Construct a worksheet and use it to prepare financial statements.
- ACC I 1.1.12** Prepare a trial balance and use it to determine necessary adjusting entries.
- ACC I 1.1.13** Prepare financial statements in appropriate form and specify the purpose and relationship of each statement.
- ACC I 1.1.14** Describe the purpose of the closing process and prepare closing entries and the post-closing trial balance.
- ACC I 1.1.15** Demonstrate the use of and describe the differences between manual and computerized accounting systems.

ACC I 2 Accounting Process

ACC I 2.1 Content Standard: Students use Generally Accepted Accounting Principles (GAAP) to determine the value of assets, liabilities, owner's equity, revenues, and expenses.

Assets

Performance Expectations

- ACC I 2.1.1** Identify assets and their effect on financial statements.
- ACC I 2.1.2** Specify the importance of internal cash control and banking activities and demonstrate their use.
- ACC I 2.1.3** Explain the use of and maintain the accounts receivable subsidiary ledger.
- ACC I 2.1.4** Compare, contrast and evaluate inventory concepts and apply these concepts and procedures to a merchandising business.
- ACC I 2.1.5** Demonstrate the use of and describe the differences between manual and computerized accounting systems for assets.

Liabilities

Performance Expectations

- ACC I 2.1.6** Identify liabilities and their effect on financial statements.
- ACC I 2.1.7** Explain the use of and maintain the accounts payable subsidiary ledger.
- ACC I 2.1.8** Demonstrate the use of and describe the differences between manual and computerized accounting systems for liabilities.

Owner's Equity

Performance Expectations

- ACC I 2.1.9** Identify the components of owner's equity and their effect on financial statements.
- ACC I 2.1.10** Discuss the purpose of capital and drawing accounts for sole proprietorships and partnerships.
- ACC I 2.1.11** Demonstrate the use of and describe the differences between manual and computerized accounting systems for owner's equity.

Revenues

Performance Expectations

ACC I 2.1.12 Identify revenues and their effect on financial statements.

ACC I 2.1.13 Demonstrate the use of and describe the differences between manual and computerized accounting systems for revenues.

Expenses

Performance Expectations

ACC I 2.1.14 Identify expenses and their effect on financial statements.

ACC I 2.1.15 Demonstrate the use of and describe the differences between manual and computerized accounting systems for expenses.

ACC I 3 Financial Statements

ACC I 3.1 Content Standard: Students interpret and analyze financial statements.

Performance Expectations

ACC I 3.1.1 Analyze the income statement, owner's equity statement, and balance sheet of a business.

ACC I 3.1.2 Analyze the financial condition of the business through the use of ratios, charts, and graphs.

ACC I 3.1.3 Discuss the importance of high ethical standards in the preparation of financial statements.

ACC I 3.1.4 Use Generally Accepted Accounting Principles (GAAP) to apply the revenue realization and matching principles in the preparation of financial statements.

ACC I 3.1.5 Calculate the cost of goods sold and gross profit.

ACC I 3.1.6 Identify the impact of the cost of goods sold and gross profit components to the business enterprise.

ACC I 3.1.7 Demonstrate the use of and describe the differences between manual and computerized accounting systems for financial statements.

ACC I 4 Special Topics

ACC I 4.1 Content Standard: Students apply Generally Accepted Accounting Principles (GAAP) to various forms of ownership and payroll.

Forms of Ownership

Performance Expectation

ACC I 4.1.1 Compare and contrast the advantages and disadvantages of the three forms of business ownership—sole proprietorships, partnerships, and corporations.

Payroll

Performance Expectation

ACC I 4.1.2 Explain the importance of payroll as a business expense.

ACC I 4.1.3 Calculate and maintain employee payroll records.

ACC I 4.1.4 Calculate and maintain employer payroll records.

ACC I 4.1.5 Discuss the importance of current issues in human resources and payroll for a business enterprise.

ACC I 4.1.6 Demonstrate the use of and describe the differences between manual and computerized accounting systems for payroll.

ACC I 5 Interpretation and Use of Data

ACC I 5.1 Content Standard: Students use appropriate data to evaluate the performance of an organization.

Performance Expectation

ACC I 5.1.1 Interpret and evaluate financial statements to make sound business decisions.

ACC I 5.1.2 Interpret and evaluate industry trends and other relevant data to make sound business decisions.

ACC I 6 Communication

ACC I 6.1 Content Standard: Students investigate and learn about the various career opportunities available in the accounting and CPA professions and discover how accounting relates to all career fields.

Performance Expectation

ACC I 6.1.1 Discuss the employment opportunities and job responsibilities in business, industry, public practice, government, education, and not-for-profit professions.

ACC I 6.1.2 Discuss the state and national educational and licensing requirements for careers in the business and finance professions.

ACC I 6.2 Content Standard: Students read, interpret, and report financial information.

Performance Expectation

ACC I 6.2.1 Read and interpret financial statements.

ACC I 6.2.2 Write summaries of financial decisions.

ACC I 6.2.3 Present summaries for decisions.

ACC I 6.2.4 Use appropriate industry terminology.

Indiana Academic Standards Integrated into Accounting I

English/Language Arts

Standard 1

READING: Word Recognition, Fluency, and Vocabulary Development

10.1.1 Understand technical vocabulary in subject area reading.

Standard 2

READING: Comprehension

10.2.1 Analyze the structure and format of various informational documents and explain how authors use the features to achieve their purposes.

10.2.2 Extend ideas presented in primary or secondary sources through original analysis, evaluation, and elaboration.

11.2.3 Verify and clarify facts presented in several types of expository texts by using a variety of consumer, workplace, and public documents.

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Standard 4

WRITING: Process

10.4.1 Discuss ideas for writing with classmates, teachers, and other writers and develop drafts alone and collaboratively.

10.4.9 Use a computer to design and publish documents by using advanced publishing software and graphic programs.

11.4.1 Discuss ideas for writing with classmates, teachers, and other writers.

11.4.4 Structure ideas and arguments in a sustained and persuasive way and support them with precise and relevant examples.

11.4.7 Develop presentations by using clear research questions and creative and critical research strategies, such as field studies, oral histories, interviews, experiments, and Internet sources.

11.4.9 Use a computer to integrate databases, pictures and graphics, and spreadsheets into word-processed documents.

11.4.10 Review, evaluate, and revise writing for meaning, clarity, achievement of purpose, and mechanics.

12.4.1 Engage in conversations with peers and the teacher to plan writing, to evaluate how well writing achieves its purposes, and to explain personal reaction to the task.

12.4.7 Develop presentations by using clear research questions and creative and critical research strategies, such as field studies, oral histories, interviews, experiments, and Internet sources.

12.4.9 Use technology for all aspects of creating, revising, editing, and publishing.

Standard 5

WRITING: Applications

10.5.4 Write persuasive compositions that:

- organize ideas and appeals in a sustained and effective fashion with the strongest emotional appeal first and the least powerful one last.
- use specific rhetorical (communication) devices to support assertions, such as appealing to logic through reasoning; appealing to emotion or ethical belief; or relating a personal anecdote, case study, or analogy.

- clarify and defend positions with precise and relevant evidence, including facts, expert opinions, quotations, expressions of commonly accepted beliefs, and logical reasoning.
 - address readers' concerns, counterclaims, biases, and expectations.
- 10.5.7 Use varied and expanded vocabulary, appropriate for specific forms and topics.
- 10.5.8 Write for different purposes and audiences, adjusting tone, style, and voice as appropriate.
- 11.5.6 Use varied and extended vocabulary, appropriate for specific forms and topics.
- 11.5.7 Use precise technical or scientific language when appropriate for topic and audience.
- 12.5.6 Use varied and extended vocabulary, appropriate for specific forms and topics.
- 12.5.7 Use precise technical or scientific language when appropriate for topic and audience.

Standard 6

WRITING: English Language Conventions

- 10.6.3 Produce legible work that shows accurate spelling and correct use of the conventions of punctuation and capitalization.
- 11.6.1 Demonstrate control of grammar, diction, paragraph and sentence structure, and an understanding of English usage.
- 11.6.2 Produce writing that shows accurate spelling and correct punctuation and capitalization.
- 12.6.1 Demonstrate control of grammar, diction, paragraph and sentence structure, and an understanding of English usage.
- 12.6.2 Produce writing that shows accurate spelling and correct punctuation and capitalization.

Standard 7

LISTENING AND SPEAKING: Skills, Strategies, and Applications

- 10.7.1 Summarize a speaker's purpose and point of view and ask questions concerning the speaker's content, delivery, and attitude toward the subject.
- 10.7.4 Use props, visual aids, graphs, and electronic media to enhance the appeal and accuracy of presentations.
- 10.7.7 Make judgments about the ideas under discussion and support those judgments with convincing evidence.
- 10.7.15 Deliver expository (informational) presentations that:
- provide evidence in support of a thesis and related claims, including information on all relevant perspectives.
 - convey information and ideas from primary and secondary sources accurately and coherently.
 - make distinctions between the relative value and significance of specific data, facts, and ideas.
 - include visual aids by employing appropriate technology to organize and display information on charts, maps, and graphs.
 - anticipate and address the listeners' potential misunderstandings, biases, and expectations.
 - use technical terms and notations accurately.
- 10.7.19 Deliver descriptive presentations that:
- establish a clear point of view on the subject of the presentation.
 - establish the relationship with the subject of the presentation (whether the presentation is made as an uninvolved observer or by someone who is personally involved).
 - use effective, factual descriptions of appearance, concrete images, shifting perspectives, and sensory details.
- 11.7.1 Summarize a speaker's purpose and point of view and ask questions to draw interpretations of the speaker's content and attitude toward the subject.
- 11.7.6 Use effective and interesting language, including informal expressions for effect, Standard English for clarity, and technical language for specificity.

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Algebra I

A1.2 Linear Equations and Inequalities

- A1.2.6 Solve word problems that involve linear equations, formulas, and inequalities.

A1.7 Algebraic Fractions

- A1.7.1 Simplify algebraic ratios.

A1.9 Mathematical Reasoning and Problem Solving

- A1.9.1 Use a variety of problem solving strategies, such as drawing a diagram, making a chart, guess-and-check, solving a simpler problem, writing an equation, and working backwards.

Algebra II

A2.1 Relations and Functions

- A2.1.8 Interpret given situations as functions in graphs, formulas, and words.

A2.6 Algebraic Fractions

- A2.6.2 Add, subtract, multiply, divide, and simplify algebraic fractions.
- A2.6.4 Solve equations involving algebraic fractions.
- A2.6.5 Solve word problems involving fractional equations.

A2.10 Mathematical Reasoning and Problem Solving

- A2.10.1 Use a variety of problem-solving strategies, such as drawing a diagram, guess-and-check, solving a simpler problem, writing an equation, and working backwards.

Pre-Calculus

PC.1 Relations and Functions

- PC.1.3 Model and solve word problems using functions and equations.

PC.9 Mathematical Reasoning and Problem Solving

- PC.9.1 Use a variety of problem-solving strategies, such as drawing a diagram, guess-and-check, solving a simpler problem, examining simpler problems, and working backwards.
- PC.9.2 Decide whether a solution is reasonable in the context of the original situation.

Economics

E.2 Supply and Demand

- E.2.6 Explain the function of profit in a market economy as an incentive for entrepreneurs to accept the risks of business failure.
- E.2.10 Demonstrate how government wage and price controls, such as rent controls and minimum wage laws, create shortages and surpluses.
- E.2.12 Illustrate how investment in factories, machinery, new technology, and the health, education, and training of people increases productivity and raises future standards of living.

E.3 Market Structures

- E.3.1 Compare and contrast the following forms of business organization: sole proprietorship, partnership, and corporation.
- E.3.2 Identify the three basic ways that firms finance operations (retained earnings, stock issues, and borrowing), and explain the advantages and disadvantages of each.
- E.3.6 Demonstrate how firms determine price and output through marginal analysis.

E.4 The Role of Government

- E.4.1 Explain the basic functions of government in a market economy.
- E.4.3 Describe major revenue and expenditure categories and their respective proportions of local, state, and federal budgets.
- E.4.4 Explore the ways that tax revenue is used in the community.
- E.4.5 Identify taxes paid by students.

E.6 Money and the Role of Financial Institutions

- E.6.5 Compare and contrast credit, savings, and investment services available to the consumer from financial institutions.